

**STATE OF SOUTH CAROLINA****(Caption of Case)**

**Application of FRC, LLC, for a Certificate of Public Convenience and Necessity to Provide Local Exchange Access Services throughout the State of South Carolina and Request for Flexible Regulation**

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**COVER SHEET****DOCKET****NUMBER: 2008 - 49 - C**

(Please type or print)

**Submitted by:** Sue-Ann G. Shannon**SC Bar Number:** 71181**Address:** McNair Law Firm, P. A.**Telephone:** 803-799-9800P. O. Box 11390**Fax:** 803-753-3219Columbia, SC 29211**Other:** \_\_\_\_\_**Email:** pfox@mcnair.net

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)☐ **Emergency Relief demanded in petition**☐ **Request for item to be placed on Commission's Agenda expeditiously**☐ **Other:** \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input checked="" type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

# McNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

SUE-ANN GERALD SHANNON  
sshannon@mcnair.net

www.mcnair.net

THE TOWER AT 1301 GERVAIS  
1301 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201

POST OFFICE BOX 11390  
COLUMBIA, SOUTH CAROLINA 29211  
TELEPHONE (803) 799-9800  
FACSIMILE (803) 753-3219

March 24, 2008

**via Electronic Filing**

The Honorable Charles L.A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

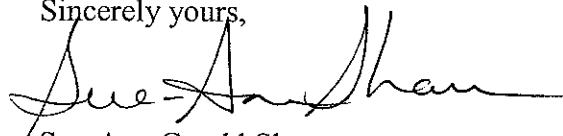
RE: Application of FRC, LLC, for a Certificate of Public Convenience and Necessity  
to Provide Local Exchange and Exchange Access Services throughout the State of  
South Carolina and Request for Flexible Regulation  
Docket No. 2008-49-C

Dear Mr. Terreni:

Please find enclosed for filing Verified Direct Testimony of W. Grey Humphrey, Jr., in  
the above-referenced matter. By copy of this letter and Certificate of Service, all parties of  
record are being served by U.S. Mail with a copy of Mr. Humphrey's testimony.

If you have any questions or need further information, please do not hesitate to contact  
me.

Sincerely yours,



Sue-Ann Gerald Shannon

Enclosures

cc: Shannon Bowyer Hudson, Esq., Office of Regulatory Staff

BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

Docket No. 2008-49-C

Application of FRC, LLC, for a Certificate of Public )  
Convenience and Necessity to Provide Local Exchange )  
and Exchange Access Services throughout the State of South )  
Carolina and Request for Flexible Regulation )  

---

**VERIFIED DIRECT TESTIMONY OF**

**W. GREY HUMPHREY, JR.**

**ON BEHALF OF FRC, LLC**

**March 24, 2008**

1   **Q:    Please state your name and business address.**

2   A:    My name is W. Grey Humphrey, Jr., and my business address is 1500 Hampton Street,  
3       Suite 103, South Carolina 29201.

4  
5   **Q:    By whom are you employed and what is your position?**

6   A:    I am President of PalmettoNet, Inc., which is the General Manager of FRC, LLC.

7  
8   **Q:    Please briefly state your education, training, and experience in the**  
9       **telecommunications industry.**

10  A:    I hold a Bachelor's degree in Administrative Management from Clemson University and  
11       a Master's in Business Administration from the University of South Carolina. I have  
12       more than 23 years of experience in the telecommunications industry. My  
13       responsibilities have included sales, marketing, network operations maintenance, network  
14       operations center, provisioning, installations, engineering, business development, mergers  
15       and acquisitions, project management, and facilities. I previously served as the Chief  
16       Operating Officer for Spirit Telecom, which is headquartered in Columbia, South  
17       Carolina. I joined Spirit in 1998 as its General Manager and then took on the role of  
18       Executive Vice President of Sales and Marketing. Prior to joining Spirit, I worked for  
19       TSI, SouthernNet, Telecom USA, and MCI. During my tenure at MCI, I was responsible  
20       for revenues of more than \$25 million annually, and was named Senior National  
21       Accounts Manager.

22

23

1   **Q:    Have you ever testified before this Commission in other proceedings?**

2   A:    No.

3

4   **Q:    On whose behalf are you testifying in this proceeding?**

5   A:    I am testifying on behalf of FRC, LLC.

6

7   **Q:    What is the purpose of your testimony in this proceeding?**

8   A:    The purpose of my testimony is to describe the filing made by FRC in its application for  
9       a Certificate of Public Convenience and Necessity to provide local exchange and  
10      exchange access services throughout the State of South Carolina and request for flexible  
11      regulation, and to demonstrate that FRC possesses sufficient technical, financial, and  
12      managerial resources to provide local exchange telecommunications services within the  
13      State of South Carolina.

14

15   **Q:    Please describe the authority that FRC seeks from the Commission and the types of**  
16      **services that FRC will offer in South Carolina.**

17   A:    FRC is requesting authority to provide competitive intrastate resold and facilities-based  
18      local exchange and exchange access telecommunications services to residential and  
19      business customers throughout the State of South Carolina. FRC will not offer switched  
20      access services at this time but may introduce such services at a later date. The initial  
21      services FRC proposes to offer under this authority include private line, DSL, and special  
22      access services. Bandwidths for private line, DSL and special access will range from 4  
23      Mbps to 10 Gbps, plus SONET-based bandwidths ranging from T1 to OC-192. FRC will

1 use its own facilities or a combination of its own facilities and those of other carriers to  
2 provide service. Service will be available on a contract basis only for specified time  
3 periods. FRC will offer its services 24 hours a day, 7 days a week.  
4

5 **Q: In what areas is FRC proposing to serve?**

6 A: FRC proposes to offer services throughout the entire State and is, therefore, seeking  
7 statewide approval of its application. FRC is willing to abide by the conditions previously  
8 established by the Commission before a competitive local exchange carrier may provide  
9 such services within the service area of a rural incumbent local exchange carrier.  
10

11 **Q: Please explain why it is in the public interest to approve this application.**

12 A: Approval of FRC's application is in the public interest because FRC will enhance  
13 competition in the State of South Carolina by offering additional service options and high-  
14 quality service to benefit South Carolina telecommunications users. FRC's entry into the  
15 South Carolina market will also provide an efficient use of existing telecommunications  
16 resources. FRC will meet all service standards that the South Carolina Public Service  
17 Commission may adopt, and provision of the service will not adversely impact the  
18 availability of affordable local exchange service in the State. FRC will participate in the  
19 support of universally available telephone service at affordable rates, to the extent it may be  
20 required to do so.  
21  
22

1   **Q:    Does FRC have the financial capabilities to operate as a competitive local exchange**  
2       **carrier?**

3   A:    Yes. FRC has attached to its application as Confidential Exhibit C detailed information  
4        regarding the financial position of the company.

5  
6   **Q:    Does FRC possess sufficient managerial qualifications and resources to provide the**  
7       **service for which it requests authority?**

8   A:    Yes. As shown in FRC's Exhibit B to its application, FRC has a team of managers and  
9        personnel who possess a tremendous amount of experience within the  
10       telecommunications industry. FRC will conduct its operations through its manager,  
11       PalmettoNet, which is also one of its two members. PalmettoNet has been authorized to  
12       provide telecommunications services in South Carolina since 1985.

13  
14   **Q:    Does FRC possess the technical expertise to operate as competitive local exchange**  
15       **carrier?**

16   A:    Yes. FRC is already authorized to provide telecommunications services in South  
17        Carolina, Georgia, and North Carolina. Its members are also certificated in other states:  
18        PalmettoNet is authorized to provide telecommunications services in South Carolina and  
19        Georgia, and SCI is authorized to provide telecommunications services in South  
20        Carolina, Georgia, and North Carolina.

1   **Q:   Will FRC comply with the rules and regulations of the South Carolina Public**  
2       **Service Commission?**

3   A:   Yes. FRC will comply with all applicable rules and regulations. In addition, FRC will  
4       provide service pursuant to the rules, regulations, rates, and other terms and conditions as  
5       set out in an approved tariff.

6  
7   **Q:   Is FRC requesting any regulatory relief or waivers for the purpose of this**  
8       **application?**

9   A:   Yes. FRC requests that the Commission continue in effect all waivers previously granted in  
10       Order No. 2006-469 in Docket No. 2006-42-C. FRC also requests a waiver of any rule or  
11       requirement to publish and distribute local exchange directories and, further, that the  
12       Commission regulate any local exchange telecommunications services it may provide in  
13       accordance with the principles and procedures established for flexible regulation in Order  
14       No. 98-165 in Docket No. 97-467-C.

15  
16   **Q:   Does this conclude your testimony?**

17   A:   Yes.


**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**Docket No. 2008-49-C**

Application of FRC, LLC, for a Certificate of Public  
Convenience and Necessity to Provide Local Exchange  
and Exchange Access Services throughout the State of South  
Carolina and Request for Flexible Regulation

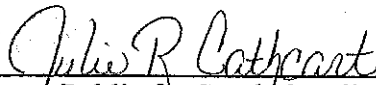
**VERIFICATION**

I, W. GREY HUMPHREY, JR., first being duly sworn, depose and say that I am President of PalmettoNet, Inc., which is the General Manager of FRC, LLC; that I have read the foregoing pre-filed testimony and know the contents thereof; and that said contents are true.

  
W. Grey Humphrey, Jr.

SWORN to before me this

24 day of March, 2008

  
Notary Public for South Carolina  
My Commission Expires: My Commission Expires July 26, 2017

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

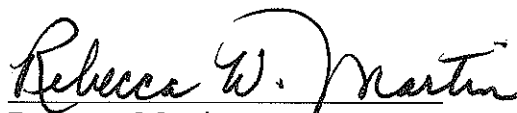
Docket No. 2008-49-C

Application of FRC, LLC, for a Certificate of Public  
Convenience and Necessity to Provide Local Exchange  
and Exchange Access Services throughout the State of  
South Carolina and Request for Flexible Regulation

CERTIFICATE OF  
SERVICE

I, Rebecca Martin, do hereby certify that I have this date served one (1) copy of the foregoing Verified Direct Testimony of W. Grey Humphrey, Jr. upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Shannon Bowyer Hudson, Esquire  
Office of Regulatory Staff  
Post Office Box 11263  
Columbia, South Carolina 29211

  
Rebecca Martin  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 799-9800

March 24, 2008

Columbia, South Carolina